The Philanthropy Column: Community Impact

Teresa Araco Rodgers 21 February 2012

The theme of this Winter 2012 edition of the *Philadelphia Social Innovations Journal* is Community Impact. What is interesting about this concept is the approach—the proactive decision to collectively tackle some desired state of change. In this latest Philanthropy Column, I explore the "how" of community impact.

Community impact is about people and organizations coming together to improve a situation in a measureable way. This idea of "coming together" has been on my mind recently. The concept, in varying forms, has been in the news. It has come up in conversations with funders, those in the philanthropy space, and nonprofit organizations during site visits. And it has been discussed at conferences.

Held on November 3, 2011, the Delaware Valley Grantmakers' Fall Conference theme was "Holding Together in High-Wire Times." The topic of nonprofit collaboration was brought up during the Leadership Discussion in a room filled with both nonprofit organizations and funders from the Delaware Valley. The overall discussion was cordial, but you could feel the tension from some nonprofit executives and staff who are tired of hearing funders talk about collaboration and partnership. It's tough! We all know it. It takes a perfect storm of elements for partnerships to be successful. But in this day, with this economic climate, nonprofits can't afford not to come together!

Even before the current economic crisis, there was concern within the industry that there were just too many nonprofit organizations sprouting up across the country with a limited amount of support available. The Philadelphia Foundation's Nonprofit Study (2010) conducted by the Economy League of Greater Philadelphia used IRS 990 filings to gather a range of financial data on nearly 7,300 nonprofits in the 5-county Philadelphia region. Since the year 2000, the number of nonprofits in Southeastern Pennsylvania has grown by about 40 percent. The economic crisis has made collaboration essential for some nonprofits to survive.

According to the Nonprofit Finance Fund, the drive to collaborate is often not just rooted in cost-savings, but in an expansive community-oriented vision. By working together, nonprofits can be better positioned to achieve shared goals, advance missions, enhance long-term viability, and improve the delivery of services (Nonprofit Finance Fund n.d.). Studies from institutions like the Nonprofit Sector Research Fund of the Aspen Institute have demonstrated positive results from collaborating, including less duplication, more efficient services and better outcomes.

Collaboration is more than just client program referrals or affiliations. Paul Mattessich, Ph.D., the Executive Director of Wilder Research, which is a division of the Amherst H. Wilder Foundation, has written several articles and books on the topic of collaboration. He says that true collaboration is a "mutually beneficial and well-defined relationship entered into by two or more organizations to achieve common goals" (Mattessich 2008).

Collaboration can take many forms, including: mergers, acquisitions, and various forms of alliances and partnerships such as joint purchasing, administrative consolidations, co-locations and the creation of joint ventures or programming partnerships.

The Nonprofit Collaboration Database, created through the Lodestar Foundation, is a searchable database consisting of over 650 collaboration models submitted by nonprofit organizations. The database allows a user to perform many search combinations, and modify the searchable criteria. Housed within the Foundation Center, a national nonprofit service organization that connects nonprofits and grantmakers, the database is a great tool to identify interesting trends or to learn about effective ways to use strategic restructuring strategies for nonprofits (Foundation Center website).

I recently met with the executive directors of 4 Philadelphia area nonprofits, which support families in crisis as a result of a sickness or disability. These organizations are trying to figure out: 1) how to improve services to families; 2) how to improve the matching process or referral process linking families to needed programs; 3) how to make it easier and more efficient for their nonprofits (e.g., infrastructure and standards); and 4) how to make it easier on themselves as individuals and, more specifically, as working mothers. What is interesting is that they are doing it together. It is the early stages of conversation, but the mere fact that the doors have been opened and there is a face with a name attached to the "other" nonprofits in their space is a great start.

Taking it a step further, on December 15, 2011, The Philanthropic Initiative (TPI), a 20-year-old strategic philanthropy advisory firm based in Boston, announced that it is merging with the Boston Foundation (TBF). This is big news in my world of philanthropy advising. In her blog titled, "A Great Time To Merge," Ellen Remmer wrote about the merge, stating, "Among the most important conditions, we heard from others, is an agreement on shared values and overall purpose. [...] Another condition for success is that both organizations come into the merger from a position of strength and that the field in which they work is vibrant and growing."

The TPI/TBF merger is a great example of two nonprofits with complementary missions and values coming together. Time will tell whether it will result in an organization that is more efficient and effective and able to achieve much more than the individual organizations could have achieved alone.

There are numerous examples of nonprofits in Philadelphia that have come together for a common cause in order to achieve better outcomes. We have witnessed collaborations in the arts (ArtsRising), healthcare (Wistar Institute and Philadelphia FIGHT), the eradication of homelessness (Project H.O.M.E. and Bethesda Project), domestic violence (Domestic Violence Law Enforcement Committee) and youth (Southeast Philadelphia Collaborative), just to name a few.

Effective collaborations like these require planning and investment. There are abundant resources, consultants and project funding sources to create strong collaborations. The message to nonprofits is to "not go it alone!" There are models that can be replicated and best practices that can be implemented. For example, the Nonprofit Finance Fund offers a structured process to assess and manage collaborations that help two or more nonprofit organizations work together to improve quality of services, strengthen financial stability, upgrade systems, save money, and expand staff opportunities (Nonprofit Finance Fund n.d.).

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Funders like to see collaboration among their grantees because the likelihood of success and impact are simply greater. It was announced in mid-December 2011 that Philadelphia's new education compact among the School District, city, state, and two charter school coalitions has attracted the attention of the Bill and Melinda Gates Foundation. The Foundation pledged $100,000 in initial funding, with the possibility of substantially more—even millions more—down the road (Snyder 2011). Don Shalvey, deputy director of the Bill & Melinda Gates Foundation's College-Ready Programs, commented that Philadelphia's focus on collaborating with parochial schools was key to the foundation's decision to select the city for the grant (Wolfman-Arent 2011).

There are grantmakers dedicated to supporting collaboration among nonprofit organizations. SeaChange Capital Partners and the Lodestar Foundation partnered to create the SeaChange-Lodestar Fund for Nonprofit Collaboration, a national grantmaking entity that supports collaborations among nonprofit organizations regardless of their focus area or geography. The SeaChange-Lodestar Fund is a solid example of a funder supporting sensible collaborations among nonprofit organizations. Their grants are restricted to covering the one-time third-party costs of exploring, evaluating and/or implementing a collaboration (SeaChange Capital Partners n.d.).

Community impact is based upon the notion that "we can't do this alone." And that means networks of organizations need to work together—the nonprofit organizations, the public and private sectors, consultants, funders and beneficiaries. It is no longer enough to support an innovative solution created by a single nonprofit. Instead we must help create the collective processes, metrics, and community leadership that enable sustainable change.

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